

REMARKS**Claim Status**

Claims 1, 3-5, 8, 9, 11, 12, 18, 20 and 22-23 are pending in the present application.

Claims 2, 6, 7, 13-17 and 19 are canceled without prejudice and without conceding the propriety of the outstanding rejections. We reserve the right to present these and similar claims in one or more continuing applications.

Claim 22 has been amended in independent form to generally include the features of its formal base claim 2.

Allowed Claims

We greatly appreciate the indication in that claims 1, 3-5, 8, 9, 11, 12, 18 and 20 are allowed, and that claims 22-23 recite allowable subject matter. Claim 22 has been amended in independent form and stands ready for allowance as well.

Conclusion

The application is believed to be in condition for allowance. An early notice of allowance is respectfully requested. Nevertheless, the Examiner is invited to telephone the undersigned at 503-469-4685 if any issue remains.

Date: January 30, 2006

Customer No. 23735

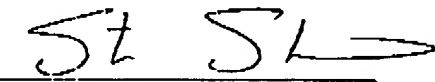
Phone: 503-469-4685

FAX: 503-469-4777

Respectfully submitted,

DIGIMARC CORPORATION

By



Steven W. Stewart
Registration No. 45,133